

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE:)
)
FIRST STREET MART, INC.) 10-50580
) Chapter 7
Debtor.)
)

FIRST APPLICATION FOR COMPENSATION FOR
SPECIAL COUNSEL FOR TRUSTEE

TO: Honorable United States bankruptcy Judge

NOW COMES Daniel C. Bruton and the law firm of Bell, Davis & Pitt, P.A. (the "Applicant") and applies to the Court for an allowance of compensation for attorneys for the Trustee for services rendered in the total amount of \$7,000.00 and for expenses/advances totaling \$57.31 in the above-captioned case, and in support thereof, shows the Court:

1. The Debtor filed for relief under Chapter 7 of the Bankruptcy Code on July 21, 2009. Bruce Magers was appointed Trustee.

2. The Applicant was appointed to represent the Trustee as Special Counsel. A copy of the Motion and Order appointing the Applicant to represent the Trustee is attached hereto as **Exhibit A**.

3. The applicant has performed professional services for the Trustee for the period beginning June 25, 2010 and continuing through February 17, 2011.

4. Attached hereto and incorporated herein by reference as **Exhibit B** is a summary of the Applicant's biographical data which includes background information for attorneys whose services were utilized in this case.

5. Attached hereto and incorporated herein by reference as **Exhibit C** is a summary of expenses by the special counsel for the Trustee for the time period beginning June 25, 2010 and continuing through February 17, 2011.

6. All services for which compensation is requested by this Applicant were performed for and on behalf of the Trustee and not on behalf of any committee, creditor or other party in interest.

7. Pursuant to §§ 327, 328, 329, 331, and 504 of the Bankruptcy Code, and Rules 2014 and 2016 of the Rules of Bankruptcy Procedure, the Applicant states that

neither before nor since its approval and appointment as special counsel for the Trustee, has the Applicant or any of its attorneys sold any claims of stock of the debtor, nor has such claim or stock been acquired or transferred by the Applicant for its account.

8. No agreement or understanding exists between the Applicant and any other person for the sharing of compensation received or to be received for services rendered in connection with this case except as such sharing of compensation which arises by virtue of the Applicant's membership in the law firm of Bell, Davis & Pitt, P.A.

9. To date, Applicant's costs/expenses have totaled \$57.31 as set forth herein.

10. The agreement between the Trustee and the Applicant is that the Applicant will be compensated, subject to Court approval, one-fourth of all amounts collected, with costs and expenses to be reimbursed. Therefore, your applicant requests payment as follows:

\$	28,000.00	amounts collected
x	.25	
\$	7,000.00	
\$	<u>57.31</u>	costs and expenses
\$	7,057.31	to be paid to Applicant

WHEREFORE, Applicant prays that the Court authorize and approve the payment of professional fees of \$7,000.00 and expenses/costs of \$57.31 by the Trustee to your Applicant as set forth herein.

Respectfully submitted, this 27/day of February, 2011.



Daniel C. Bruton
NC Bar No. 22440
Attorney for Trustee

OF COUNSEL:

BELL, DAVIS & PITTS, P.A.
P.O. Box 21029
Winston-Salem, NC 27120-1029
Telephone: (336) 722-3700

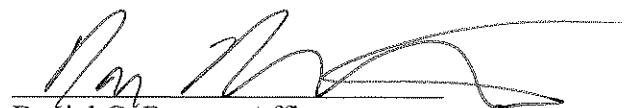
UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE:)
)
FIRST STREET MART, INC.) 10-50580
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Debtor.)
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VERIFICATION

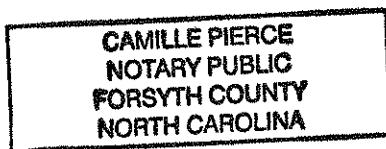
NOW COMES Daniel C. Bruton, having been duly sworn deposes and says that the foregoing First Application for Compensation for Special Counsel is in compliance with the Chapter 7 fee guidelines, and further, that he has read the foregoing Application and that the contents of the same are true of his own personal knowledge, except as to those matters therein stated on information and belief, and as to those such matters, he believes them to be true.

This the 23rd day of February, 2011.



Daniel C. Bruton, Affiant

SIGNED AND SWORN TO before me on this the 23rd day of February, 2011
by Daniel C. Bruton.



Camille Pierce
NOTARY PUBLIC Camille Pierce

My Commission Expires: 11/21/2015

6/25CPP#
6UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE:)
)
FIRST STREET MART, INC.) Case No. 10-50580
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TRUSTEE'S MOTION TO EMPLOY COUNSEL

NOW COMES Bruce Magers, Trustee in the above captioned Chapter 7 case, and moves the Court for an order, authorizing the employment of Daniel C. Bruton and the law firm of Bell, Davis & Pitt, P.A. as special counsel pursuant to 11 U.S.C. § 327(a). In support of this Motion, the Trustee shows the Court the following:

1. Bruce Magers, Trustee, can handle this case more efficiently and effectively with the help of counsel to assist him in connection with the collection and potential litigation Rubina Khan and Jay Mahi, Inc. regarding the recovery of certain transfers of estate assets to those persons / entities.

2. Daniel C. Bruton is qualified to serve as special counsel, as indicated by the attached affidavit, attached hereto as Exhibit A.

WHEREFORE, based on the foregoing, Bruce Magers, Trustee, moves the Court for an Order authorizing the employment of Daniel C. Bruton and the law firm of Bell, Davis & Pitt, P.A. as special counsel to represent him in the above-referenced proceeding on a contingency of 25% plus costs, to be approved by this Court.

Respectfully submitted, this the 25th day of June, 2010.

/s/ Bruce Magers
Bruce Magers
Chapter 7 Trustee
P.O. Box 21433
Winston-Salem, NC 27120-1433

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE:)
)
FIRST STREET MART, INC.) Case No. 10-50580
) Chapter 7
Debtor.)
)

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

Daniel C. Bruton, being first duly sworn by the undersigned officer authorized to administer oaths, deposes and says that:

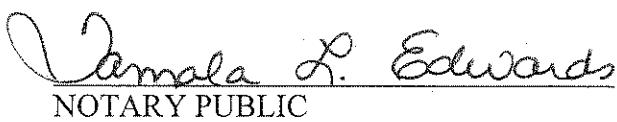
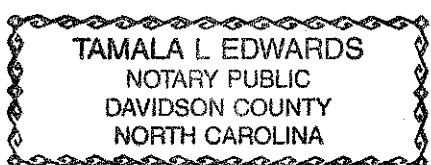
1. He is an attorney duly admitted to practice law in the state of North Carolina and before this Court, and he maintains an office for the practice of law with the firm of Bell, Davis & Pitt, P.A. in Winston-Salem, North Carolina.
2. He is not a creditor or stockholder of the Debtor.
3. He has no connection with the Debtor, its creditors, or any other party in interest, or their respective attorneys, and represents no interest adverse to the Debtor or their estate in connection with this bankruptcy proceeding.
4. According to the Debtor's bankruptcy schedules, the Debtor does owe certain credit card obligations to Bank of America. Daniel Bruton and the law firm of Bell Davis & Pitt, P.A. do sometimes represent Bank of America in matters wholly unrelated to this case.

This the 25th day of June, 2010



Daniel C. Bruton, Affiant

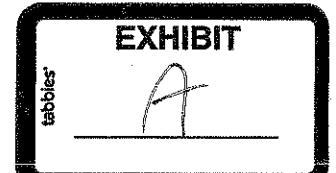
SIGNED AND SWORN TO before me on this the 25th day of June, 2010 by
Daniel C. Bruton.



Tamala L. Edwards
NOTARY PUBLIC

My Commission Expires:

7-26-14



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:)
)
FIRST STREET MART, INC.) Case No. 10-50580
)
Debtor) Chapter 7.
)

ORDER AUTHORIZING APPOINTMENT OF ATTORNEY

Upon the Application of Bruce Magers, Trustee, in the above captioned Chapter 7 proceeding, requesting authority to employ and appoint Daniel C. Bruton and the law firm of Bell, Davis & Pitt, P.A. on a contingency basis as approved by the Court, it appears to the Court that Daniel C. Bruton is duly admitted to practice before this Court, and the Court is satisfied that Daniel C. Bruton represents no interest adverse to the Debtor or to the estate in the matters in which he is to be employed, and that this employment is necessary and will be in the best interests of the estate.

Therefore, it is ORDERED that Bruce Magers, Trustee, be and hereby is, authorized pursuant to Section 330(a) of the Bankruptcy Code, to employ Daniel C. Bruton and the law firm of Bell, Davis & Pitt, P.A. as counsel to represent him in litigation against Rubina Khan and Jay Mahi, Inc. regarding certain transfers of estate assets to those persons/entities, upon such compensation as may be approved by the Court.



June 29, 2010

THOMAS W. WALDREP, JR.
UNITED STATES BANKRUPTCY JUDGE

Case 10-50580 Doc 8 Filed 06/29/10 Page 1 of 2

CURRICULUM VITAE OF DANIEL C. BRUTON

Daniel C. Bruton, Director (Partner)

Education: Davidson College (B.A., 1991); Wake Forest University (J.D., 1995)

Clerkship: Honorable Catharine R. Carruthers, United States Bankruptcy Judge, Middle District of North Carolina (1995-1997)

Area of Practice: Bankruptcy Alternatives, Bankruptcy and Creditors' Rights, Bankruptcy Counsel to Committees and Trustee, Business Bankruptcy, Consumer Bankruptcy, Consumer Credit, Creditor Representation, Reorganizations and Workouts, Secured Transactions, Uniform Commercial Code

Years of General Experience: 16

Years of Bankruptcy Experience: 16

Membership: Forsyth County Bar Association; North Carolina Bar Association (Bankruptcy Section Council, 2000-2002)

Awards: The Best Lawyers in America (2010); Business North Carolina Magazine's Legal Elite (2010); North Carolina Rising Star (2009)

Author: The Modification of Home Mortgage Loans in Bankruptcy: A Good, First Step in the Path to Economic Recovery (2/27/2009)

The "Stretch" IRA (5/1/2007)

New Roth IRA Conversion Rules - a Titanium Nest Egg (2/1/2007)

Recent Amendments to North Carolina Exemption Laws (3/1/2006)

"30-Day Lifting of the Automatic Stay under §362(c)(3)(A): Not What It Purports to Be," Vol. XXV No. 3 American Bankruptcy Institute Journal (April 2006)

"To Infinity and Beyond: Related to 'Related To' Jurisdiction: Supplemental Jurisdiction of Bankruptcy Courts," Vol. XXIV No. 4 American Bankruptcy Institute Journal (June 2005)

Collection of Unpaid Invoices in Bankruptcy - Something is Better Than Nothing (1/20/2002)

"Pavlov's Dog, the Chicken and the Egg: United States v. Craft," Vol. XXI No. 9 American Bankruptcy Institute Journal (November 2002)

"Medicare and Medicaid Receivables: Recoupment or Setoff?" Vol. XXI No. 5 American Bankruptcy Institute Journal (June 2002) (co-author)

"Case Update," Twenty-Third Annual Bankruptcy Seminar, Middle District of North Carolina (2002)

"Bankruptcy Ethics: Staying Out of Trouble with the State Bar, the Court, and the U.S. Attorney," Bankruptcy Seminar, Middle District of North Carolina (May 2000)

"Case Update," Bankruptcy Seminar, Middle District of North Carolina (May 1999)



-----MATTER DESCRIPTION-----

Magers - First Street Mart, Inc.

-----BILLING INSTRUCTIONS-----

-----CLIENT INFORMATION-----

Magers, Bruce

--CLIENT NUMBER--	--ORIGINATING--	--BILLING--	--SUPERVISING--
002798	0205 DCB	0205 DCB	0205 DCB
	D Bruton	D Bruton	D Bruton

-----CLIENT ADDRESS-----

Bruce Magers, Esq.

P. O. Box 21433

Winston-Salem, NC 27120-1433

-----MATTER ADDRESS-----

-----MATTER INFORMATION-----

PHONE: (000) 760-1520

PHONE:

REFERRED BY:

CONTACT:

STATUS: OP	RATE: 52	TEMPLATE: ES	MIN FEE:
DATE OPENED: 06/28/2010	DEPT: COMM	TIME FORMAT: 21	MIN COST:
DATE CLOSED:	LOCATION: 01	COST FORMAT: 1	MIN TOTAL:
LAST RATE:	PRACTICE: 300	INTRST CODE: 0	FEE MARKUP: %
HOLD FEES:	FEE FREQ: M	INT FREE DAY: 30	COST MARKUP: %
HOLD COSTS:	COST FREQ: M	FIXED COSTS: N	FIXED FEES:
TRUST RET ACCT: 8	TRUST RETAIN:	ARRANGEMENT: HRLY	CURRENCY: USD
			MAXIMUM BILLINGS:

Commercial

Last Bill Date:

-----TIME ENTRIES-----

INDEX	INIT	DATE	STAT	WORKED		BILLED		CUMULATIVE DESCRIPTION
				HOURS	AMOUNT	HOURS	AMOUNT	
1356832	0205	062510 B	B	1.60	400.00	1.60	400.00	400.00 Phone call with Bruce; review bankruptcy (DCB) schedules; letter to defendant; draft Motion and Order to Employ
1372927	0205	082310 B	B	.40	104.00	.40	104.00	504.00 Letter to Bruce (DCB)
1376494	0205	090310 B	B	.60	156.00	.60	156.00	660.00 Conference with Bruce; Meeting with purchaser (DCB) at debtor's premises
1379475	0205	091410 B	B	2.20	572.00	2.20	572.00	1232.00 Meeting at debtor's premises with current owner of business; Letters to landlord, (DCB) Schollander, and current owner regarding consideration paid for transfer of business; phone call with Bruce
1380448	0205	091610 B	B	.20	52.00	.20	52.00	1284.00 Phone call with Wes Schollander (DCB)
1381436	0205	092010 B	B	.30	78.00	.30	78.00	1362.00 Phone calls with Wes and Bruce regarding good will payment (DCB)
1382398	0205	092210 B	B	.50	130.00	.50	130.00	1492.00 Phone calls with purchaser of business (DCB) Jim Vaughn

EXHIBIT

Tabbies

1382399	0205	092210 B	2.20	572.00	2.20	572.00	2064.00 Research regarding fraudulent conveyance regarding purchase of business assets
(DCB)							
1383822	0205	092810 B	.30	78.00	.30	78.00	2142.00 Phone call with Bruce; brief title search on internet
(DCB)							
1384105	0205	092910 B	.20	52.00	.20	52.00	2194.00 Phone call with Jim Vaughn
(DCB)							
1387380	0205	100610 B	.30	78.00	.30	78.00	2272.00 Phone call with Rubina Khan
(DCB)							
1387473	0205	100810 B	.20	52.00	.20	52.00	2324.00 Phone message to Rubina Khan
(DCB)							
1387477	0205	100810 B	.30	78.00	.30	78.00	2402.00 Phone call with Khan; email to Bruce
(DCB)							
1388118	0205	101210 B	1.80	468.00	1.80	468.00	2870.00 Meeting with Bruce and Rubina Khan; research regarding transfer of goodwill or leased business
(DCB)							
1392444	0205	102710 B	.40	104.00	.40	104.00	2974.00 Letter to accountant regarding books and records
(DCB)							
1398317	0205	111210 B	.40	104.00	.40	104.00	3078.00 Conference with Bruce regarding accounting and bank records; Email to Jackson of New Bridge Bank regarding bank records of debtor
(DCB)							
1402379	0205	112910 B	.20	52.00	.20	52.00	3130.00 Email to Bruce regarding corporate records
(DCB)							
1402574	0205	113010 B	.30	78.00	.30	78.00	3208.00 Phone call and letter to Wes Schollander regarding bank records
(DCB)							
1403435	0205	120110 B	.20	52.00	.20	52.00	3260.00 Phone call with Wes Schollander regarding bank records
(DCB)							
1409654	0205	122110 B	.60	156.00	.60	156.00	3416.00 Prepare subpoena for New Bridge Bank; letter to New Bridge
(DCB)							
1409814	0205	122210 B	1.10	286.00	1.10	286.00	3702.00 Review corporate bank records; email to Bruce; letter to Schollander regarding meeting with principal
(DCB)							
1410382	0205	122810 B	.30	78.00	.30	78.00	3780.00 Phone call with Wes and Bruce regarding scheduling meeting
(DCB)							
1411951	0205	010311 B	1.30	338.00	1.30	338.00	4118.00 Meeting with principal of debtor; email to Bruce
(DCB)							
1416135	0205	011811 B	.30	78.00	.30	78.00	4196.00 Phone message from Bruce; review Proofs of Claim; reply email
(DCB)							
1416196	0205	011811 B	.20	52.00	.20	52.00	4248.00 Phone call with Bruce
(DCB)							
1427391	0205	021711 B	.20	52.00	.20	52.00	4300.00 Phone call with Bruce regarding case status
(DCB)							

						FEE SUBTOTAL	4300.00

-----COST ENTRIES-----

INDEX	DATE STAT	AMOUNT	DESCRIPTION	CODE	TKPER VOUCHER
797622	082310 B	0.44 *	Postage	E01	0205
797781	082310 B	0.15 *	Copies	E02	0205
799579	091410 B	1.32 *	Postage	E01	0205
799592	091410 B	0.45 *	Copies	E02	0205
301663	092210 B	32.37 *	On-Line Research	E24	0205
304893	101210 B	18.58 *	On-Line Research	E24	0205

803384	102710 B	0.30 * Copies	E02	0205
803400	102710 B	0.44 * Postage	E01	0205
806137	113010 B	0.44 * Postage	E01	0205
806151	113010 B	0.15 * Copies	E02	0205
807973	122110 B	0.88 * Postage	E01	0205
807976	122110 B	1.20 * Copies	E02	0205
808159	122210 B	0.15 * Copies	E02	0205
808170	122210 B	0.44 * Postage	E01	0205

57.31

BALANCE DUE FROM PREVIOUS STATEMENT 0.00

LESS PAYMENT(S) 0.00

BALANCE FORWARD 0.00

TIMECARD SUB-TOTAL (16.60) 4300.00

DISBURSEMENT SUB-TOTAL 57.31

SUBTOTAL CURRENT PERIOD 4357.31

TOTAL DUE 4357.31

TIME VALUE FOR THE MATTER AFTER THE CUTOFF DATE 0.00

COST VALUE FOR THE MATTER AFTER THE CUTOFF DATE 0.00

-----TIME AND FEE SUMMARY-----

TIMEKEEPER	RATE	HOURS	%	FEES	%
Daniel C. Bruton	259.04	16.60	100.0	4300.00	100.0
	TOTALS	16.60		4300.00	

-----COST CODE SUMMARY-----

COST CODE	AMOUNT
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E01 Postage	3.96
E02 Copies	2.40
E24 On-Line Research	50.95

COST TOTAL 57.31

-----LEDGER SUMMARY-----

Ledger Code	Ledger Description	Debit	Credit	Credit Applied To
		-----	-----	-----
TOTAL		0.00	0.00	

AGED ACCOUNTS RECEIVABLE: 0.00 (-30) 0.00 (31-60) 0.00 (61-90) 0.00 (91-120) 0.00 (+)

() BILL COSTS AND FEES	() DO NOT BILL
() BILL FEES ONLY	() CLOSE FILE
() BILL COSTS ONLY	() FINAL BILL

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
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IN RE:)
)
FIRST STREET MART, INC.) 10-50580
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)

CERTIFICATE OF SERVICE

This is to certify that a copy of the attached FIRST APPLICATION FOR COMPENSATION FOR SEPCIAL COUNSEL FOR TRUSTEE in the above captioned case was duly served on the parties listed below by depositing said copy in the United States Mail, Winston-Salem, North Carolina, first class, postage fully prepaid and addressed as follows:

Michael D. West, Esq.
United States Bankruptcy Administrator
Middle District of North Carolina
P.O. Box 1828
Greensboro, NC 27402

Bruce Magers, Esq.
Chapter 7 Trustee
245 Nanzetta Way
Lewisville, NC 27023

Wendel Wes Schollander, III
Suite 308
2000 W. First Street
Winston-Salem, NC 27104-4225

This the 23rd day of February, 2011.



Daniel C. Bruton